SBI Cards

Positioned for earnings recovery as credit costs improve – assign LONG

CMP	Target Price
Rs 670	Rs 785
	Mar 2027
Rating	Upside
LONG	17% (↑)

- SBICARD reported broadly in-line 4QFY26 PPOP/PAT, with key trends being (a) 60/70bps qoq decline in gross/net credit cost, (b) a 5bps qoq NIM expansion, (c) Rs 1bn addition to management overlay provisions over ECL (outstanding: Rs 2.2bn), and (d) stage 2/3 assets improving to 3.7%/2.4% vs 3.9%/2.9% qoq. Advances growth remained weak at 2% yoy, while revolve rates were at 22% (vs 23% qoq).
- SBICARD has delivered an absolute decline in credit costs for the third straight quarter, alongside a lower SMA pool. While normalised credit costs may take longer to settle, we see a gradual improvement through FY27, with estimated credit cost of ~760bps.
- With industry-wide credit card receivables growth still subdued, we trim our FY27 receivables growth assumption to 6% and build in 20bps NIM compression. Consequently, we model 5%/10% PPOP growth across FY27E/FY28E. However, the expected improvement in credit costs should drive 38% FY27E PAT growth.
- We roll forward to a Mar'27 TP of Rs 785 (vs Sep'26 TP of Rs 860 earlier), set at 22x (vs 25x earlier) on one-year forward EPS. Following a sharp ~30% correction in the stock over past six months, we upgrade our stance to LONG (from ADD).

Spends growth corporate-led: Total spends rose to ~Rs 1.15trn, up 1% qoq/31% yoy, with corporate spends growing 12% qoq, while retail spends declined 2% qoq. However, receivables stayed flat qoq at ~Rs 569bn, translating into only 2% yoy growth. The share of interest-earning receivables declined to 54% vs 56% qoq, while the revolver mix improved marginally to 22% from 23% in 3QFY26. Cards-in-force increased ~1% qoq/6% yoy to ~22.1mn, whereas new account sourcing improved to ~0.92mn (+6% qoq).

NIM expands 5bps qoq: Despite sequential softness in yields, NIM expanded ~5bps qoq to ~11.0% as lower CoF provided support. C/I ratio rose marginally to ~57.2% (+39bps qoq). Operating costs were broadly stable qoq (-1%). Reported profitability benefited from two non-recurring items: (a) Rs 766mn GST liability write-back, and (b) Rs 445mn reversal relating to the PIDF fund.

Credit costs ease as stage-2/3 pool shrinks 10% qoq: A 10% qoq decline in the stage 2/3 portfolio (down 23% yoy) supported further easing in credit costs. Gross/net credit costs improved sequentially to 7.7%/6.4% from 8.3%/7.1% in 3QFY26, while write-offs moderated 6% qoq to Rs 11.5bn. SBICARD also created an additional Rs 1bn management overlay, taking the outstanding overlay provision to Rs 2.2bn.

Expect FY27 RoA of >4%; assign LONG: Asset quality trends at SBICARD are gradually improving and we expect FY27 RoA to exceed 4%. Advances growth is likely to remain soft as India's credit card market matures, mirroring trends seen in select developed markets. We expect FY26-FY28E PPOP CAGR to stay in single digits, amid continued pressure on NIIs and instance-based fee income; however, improving credit costs should drive ~25% PAT CAGR. Following the sharp stock correction and improving credit costs, we assign LONG (from ADD earlier).

Financial Summary

YE Mar Rs mn	NII	PPOP	PAT	EPS (Rs)	ABVPS (Rs)	P/E (x)	P/ABV (x)	ROE (%)	RoA (%)	Credit cost (bps)
FY26A	68,296	78,756	21,667	22.8	165.2	29.4	4.1	14.7	3.3	911.2
FY27E	69,673	82,903	29,826	31.3	193.1	21.4	3.5	17.5	4.3	760.0
FY28E	75,554	90,763	33,992	35.7	224.8	18.8	3.0	17.1	4.6	750.0
FY29E	82,416	1,02,434	40,107	42.1	262.5	15.9	2.6	17.3	5.0	750.0

Source: Company, Equirus Research

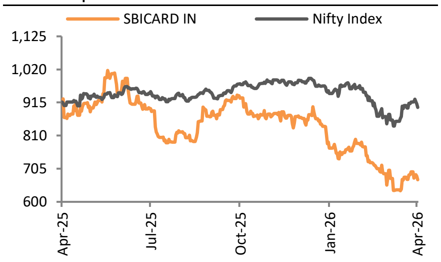
Estimate Revision

	Forecasts		% Change	
(Rs mn)	FY27E	FY28E	FY27E	FY28E
NII	69,673	75,554	(8.3)	(11.2)
PPOP	82,903	90,763	(5.2)	(7.0)
PAT	29,826	33,992	(1.5)	(3.2)
BPS	193.1	224.8	1.0	1.5

Stock Information	
Market Cap (Rs Mn)	6,37,858
52 Wk H/L (Rs)	1,027/615
Avg Daily Volume (1yr)	13,76,269
Avg Daily Value (Rs Mn)	11.6
Equity Cap (Rs Mn)	1,37,817
Face Value (Rs)	10
Share Outstanding (Mn)	951.6
Bloomberg Code	SBICARD IN
Ind Benchmark	BANKEX

Ownership (%)	Recent	3M	12M
Promoters	68.6	0.0	0.0
DII	17.9	0.1	1.4
FII	10.1	0.0	0.6
Public	3.4	(0.1)	(2.0)

Relative price chart



Source: Bloomberg

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Exhibit 1: Quarterly performance

Particulars	Q4FY26	Q4FY26E	Q3FY26	Q4FY25	% Change			Comments
					vs Est	Q-o-Q	Y-o-Y	
Net interest income (NII)	16,681	17,144	17,513	16,199	-2.7%	-4.8%	3.0%	Transactor balance increases qoq to 46%
Other operating income	25,527	26,101	25,909	22,588	-2.2%	-1.5%	13.0%	
Other non-operating income	2,525	1,743	2,262	1,578	44.9%	11.7%	60.0%	
Total income	44,734	44,987	45,684	40,365	-0.6%	-2.1%	10.8%	
Operating expenses	25,607	25,517	25,971	20,728	0.4%	-1.4%	23.5%	
Staff expenses	1,576	1,628	1,844	1,543	-3.2%	-14.5%	2.2%	
Other expenses	24,031	23,889	24,127	19,186	0.6%	-0.4%	25.3%	
Operating profit	19,127	19,470	19,713	19,637	-1.8%	-3.0%	-2.6%	
Total provisions	10,968	11,379	12,222	12,451	-3.6%	-10.3%	-11.9%	Gross credit cost at 7.96% vs 8.65% qoq
Profit before tax	8,159	8,092	7,491	7,185	0.8%	8.9%	13.6%	
Tax	2,066	2,071	1,925	1,844	-0.2%	7.3%	12.1%	
Profit after tax	6,093	6,021	5,566	5,342	1.2%	9.5%	14.1%	
Balance sheet (Rs mn)	**Q4FY26**	**Q4FY26E**	**Q3FY26**	**Q4FY25**	% change vs Est	% change q-o-q	% change y-o-y	
Borrowings	4,56,367	4,65,214	4,62,160	4,49,466	-1.9%	-1.3%	1.5%	
Advances	5,49,840	5,60,499	5,52,240	5,39,346	-1.9%	-0.4%	1.9%	
Spends	11,53,500	10,96,111	11,47,020	8,83,650	5.2%	0.6%	30.5%	
Cards in force	22.1		21.8	20.8	-	1.4%	6.3%	New account addition at 917k vs 864k qoq
Gross Stage III	13,662		16,102	16,934		-15.2%	-19.3%	
Net Stage III	5,793		7,069	7,874		-18.0%	-26.4%	
Ratios (%)	**Q4FY26**	**Q4FY26E**	**Q3FY26**	**Q4FY25**		bps change q-o-q	bps change y-o-y	
Profitability ratios - Reported								
Yield on Advances- Cal	16.2%		16.3%	17.0%		(10.0)	(80.0)	
Cost of Funds - Cal	6.4%		6.5%	7.2%		(10.0)	(80.0)	
NIM	11.1%		11.0%	11.2%		10.0	(10.0)	
RoaA	3.6%		3.2%	3.4%		44.6	24.6	
RoaE	15.7%		14.8%	15.5%		91.0	18.4	
Asset Quality								
Gross Stage III	2.41%		2.86%	3.08%		(45.0)	(67.0)	
Net Stage III	1.04%		1.28%	1.46%		(24.0)	(42.0)	
Reported Coverage ratio	57.6%		56.1%	53.5%		150.0	410.0	
Business & Other Ratios								
Cost-income ratio	57.2%		56.8%	51.4%		39.3	589.0	
CAR	25.5%		24.4%	22.9%		110.0	260.0	
Tier-I	20.0%		19.1%	17.5%		90.0	250.0	

Source: Company, Equirus Securities

Earnings Call Takeaways

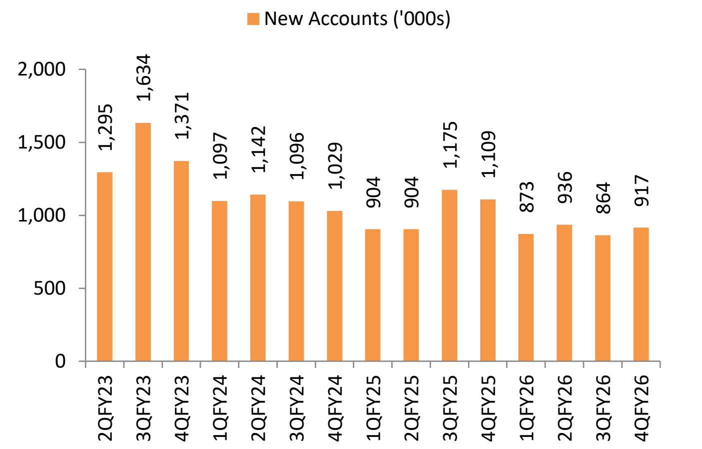
Outlook

- Management expects NIM's to remain stable
- Management expects credit costs to moderate further in FY27, though the moderation can be affected by the geopolitical uncertainties
- Cost/Income Guidance -55% to 58% for the next year
- Growth - Asset growth will follow card acquisition growth, 9 -10 lakh is the target for qtrly card issuance
- Aiming towards 4-4.5% ROA over a medium-term basis
- Company carries Rs 2.2bn of management overlay above ECL provisions.

Business Update

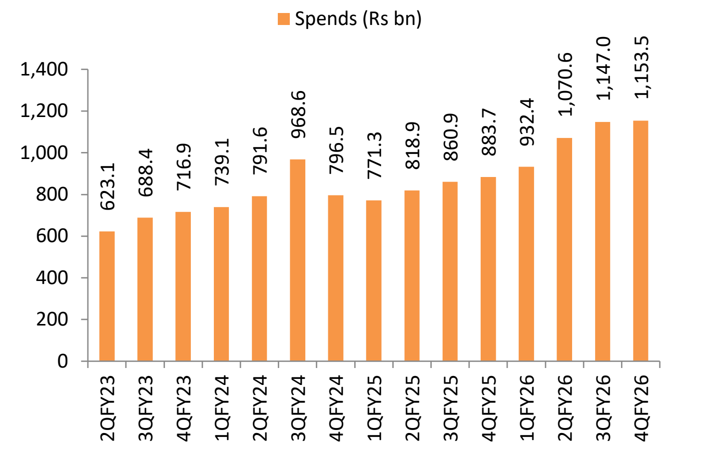
- 116.8mn Cards in Force for the industry wherein SBI is the 2nd largest credit card issuer and the largest pure play player
- Launched several co-branded cards for the year in partnership with Tata Nue, Flipkart ,Indigo and Phonepe
- CIF market share for SBI stands at 18%, 917K new accounts added during the quarter
- Spends Market Share for SBI stands at 18.1% in FY26, Rs 1.15 trillion total spends for the quarter, Rs 4.3 trn for the year
- Online spends share stands at 65.2% for FY26 wherein good traction was seen in Consumer durables, Furnishing & Hardware, Apparel & Jewelry
- UPI active rupay cards is gaining momentum especially in the Tier-2 cities
- Interest earning assets share within receivables at 54% and Revolver at 22%, expect slight downward bias for Revolver
- Growing Emi book is one of the key focus
- Higher corporate spends accounted for higher opex for the year due to higher pass-backs and thinner margins
- Stage 2 assets reduced Rs 1,49bn qoq , Rs7.11 bn yoy
- Attrition of Cards at par / better than the industry,
- Overall tightening being witnessed in the industry on the underwriting front due to past cycles, though number of applications has seen a healthy trend
- Banca customers is mostly new to credit
- Borrowings re-price in 60-90 days.
- One-offs include PIDF provision relief of Rs 444.7mn and GST liability write back of Rs 766mn.
- 70-75% borrowings linked to Repo rate , COF should stay stable incase of no rate cuts
- Revolver 1% point drop has to be compensated by a larger mix of installment lending side, can look at some fee income sources as well going ahead
- Adjusted C/I is in the range of 59-60% ex of one-offs
- Rs 470mn of write-back on account of credit cost reversal
- Recoveries of Rs 1.9bn this quarter showing a healthy trend, can be in the similar range going ahead

Exhibit 2: New accounts sourced increases to 917k vs 864k qoq



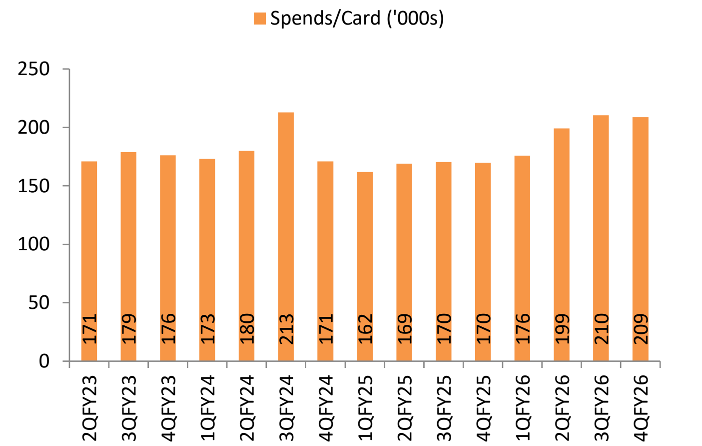
Source: Equirus, Company Data

Exhibit 3: Spends stand flat qoq at Rs 1,153.5bn



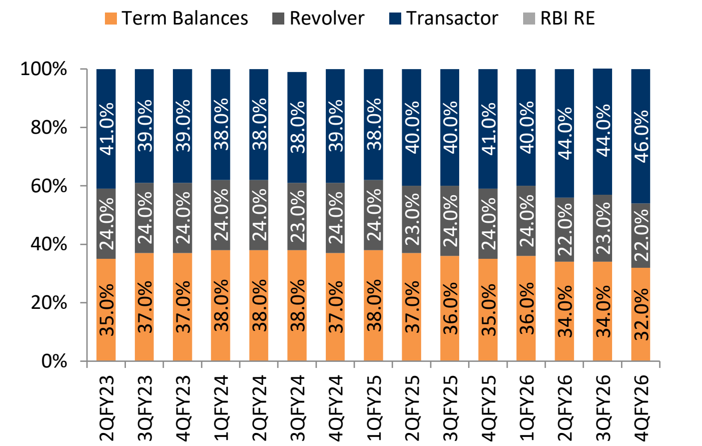
Source: Equirus, Company Data

Exhibit 4: Annualized spends/card flat qoq to Rs 209k



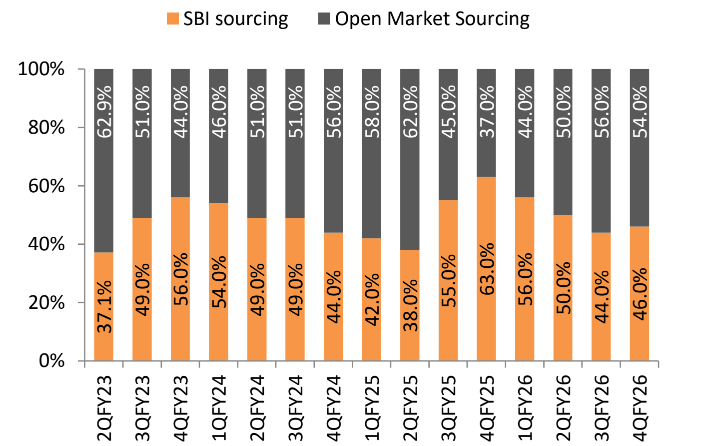
Source: Company Data, Equirus

Exhibit 5: Share of revolver book decreases qoq to 22%



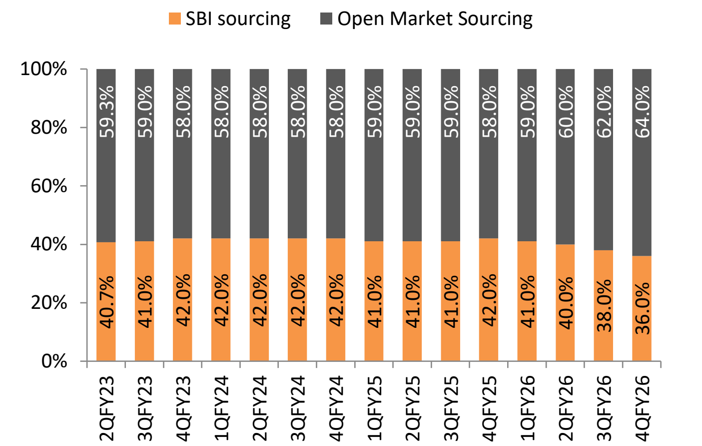
Source: Company Data, Equirus

Exhibit 6: Share of new cards sourced from SBI improves qoq to 46%



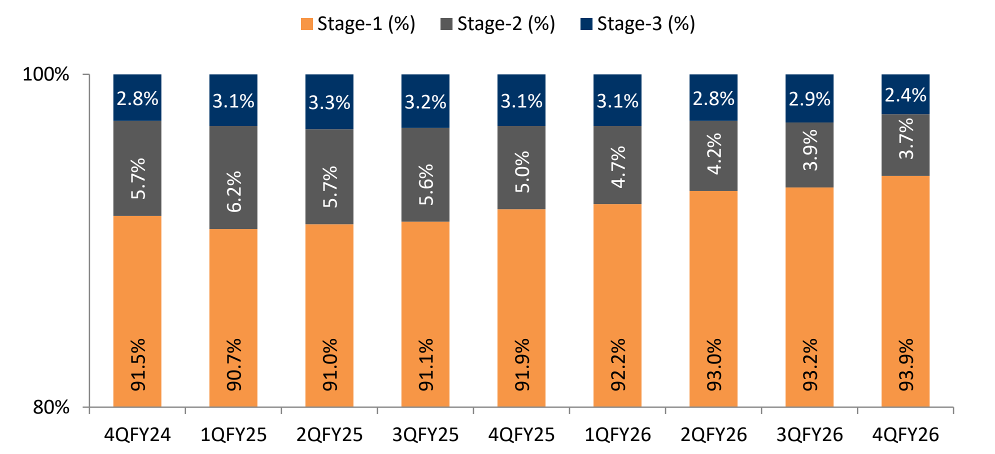
Source: Company Data, Equirus

Exhibit 7: ~36% of cards o/s are from SBI sourced cards



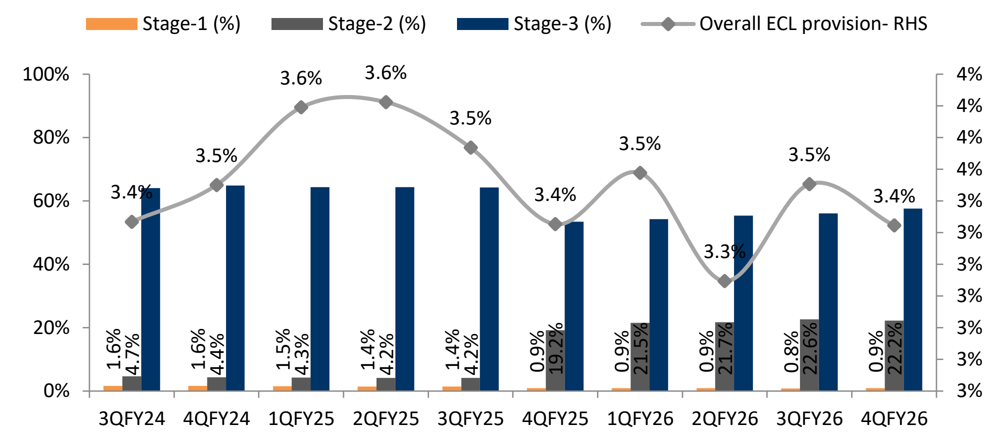
Source: Company Data, Equirus

Exhibit 8: Stage-3 receivables decreases to 2.4% vs 2.9% qoq



Source: Company Data, Equirus

Exhibit 9: Overall ECL provisions decreases to 3.4% vs 3.5% qoq



Source: Company Data, Equirus

Company Snapshot

How we differ from consensus

Particular (Rs Mn)		Equirus	Consensus	% Diff	Comment
NII	FY27E	69,673	75,743	-8.0%	We expect consensus estimates to be revised
	FY28E	75,554	86,355	-12.5%	
PAT	FY27E	29,826	29,912	-0.3%	
	FY28E	33,992	36,637	-7.2%	
BVPS	FY27E	193	192.5	0.3%	
	FY28E	225	226.3	-0.6%	

Key Investment Arguments

- RoA expansion for SBICARD will be gradual given a) credit costs will remain elevated in near term, b) revolve rates could decline incrementally.
- Its competitive advantage stems from a) opportunities to penetrate the untapped customer base of its parent, SBI Bank (SBIN), b) ride the digitization of retail payments and c) offer customized credit offerings.
- Following a sharp ~30% stock correction over the past six months, the valuation at 21x one year forward multiple makes the stock attractive

Key Estimates

Key Assumptions	FY26	FY27E	FY28E	FY29E
Net Interest Income (Rsmn)	68,296	69,673	75,554	82,415
Net interest margin (%)	12.1%	11.9%	12.1%	12.2%
Other Income (Rsmn)	1,08,065	1,25,842	1,42,238	1,61,582
Total Income (Rsmn)	1,76,360	1,95,515	2,17,792	2,43,997
Operating Expense (Rsmn)	97,605	1,12,612	1,27,028	1,41,563
Cost to Income Ratio (%)	55.3%	57.6%	58.3%	58.0%
Credit Cost (bps)	911.2	760.0	750.0	750.0
PAT (Rsmn)	21,667	29,826	33,992	40,107
Advances Growth (%)	1.9%	5.9%	7.5%	7.9%
Spends Growth (%)	29.1%	17.7%	15.5%	15.5%

Key Risks

- Weakness in macro-economic environment
- Rising competition from peers/alternate forms of digital payments
- Reduction/cap in interest rates/MDR

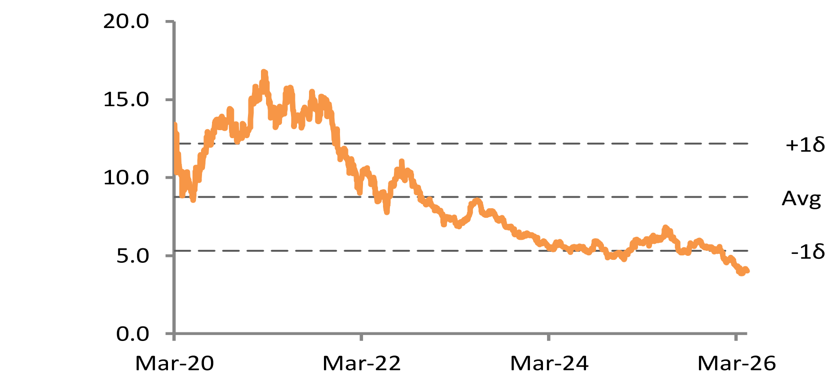
Company Overview

SBI Cards and Payment Services Limited (formerly known as SBI Cards and Payment Services Private Limited) is a non-banking financial company that offers extensive credit card portfolio to individual cardholders and corporate clients which includes lifestyle, rewards, travel & fuel and banking partnerships cards along with corporate cards covering all major cardholders' segments in terms of income profile and lifestyle. Presently, the brand has a wide customer base of 21.5 million. It has diversified customer acquisition network that enables to engage prospective customers across multiple channels.

Comparable valuation

Company	Reco.	CMP	Mkt Cap Rs. Bn.	Price Target	Target Date	P/E			P/ABV			RoA			RoE		
						FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Large Pvt Banks																	
AXSB	LONG	1,324	3,919	1,620	Mar-27	16.8	13.1	11.0	1.9	1.7	1.4	1.4	1.6	1.7	12.7	14.3	14.7
HDFCB	LONG	790	14,421	1,160	Mar-27	14.0	11.9	10.1	1.9	1.7	1.5	1.8	1.9	2.0	14.0	14.7	15.5
ICICIBC	LONG	1,314	10,273	1,675	Mar-27	15.5	14.2	12.6	2.5	2.2	1.9	2.2	2.2	2.2	15.9	15.2	15.0
Mid-Pvt Banks																	
IIB	ADD	900	709	950	Mar-27	75.1	15.5	9.8	1.1	1.0	0.9	0.2	0.8	1.1	1.4	6.7	9.8
IDFCFB	REDUCE	70	713	70	Mar-27	37.0	14.6	10.4	1.3	1.2	1.1	0.4	0.9	1.1	3.8	8.4	10.8
FB	LONG	294	614	315	Mar-27	18.3	14.0	12.3	1.9	1.7	1.5	1.1	1.3	1.4	11.0	12.7	13.5
CUBK	ADD	271	206	300	Mar-27	15.2	13.4	12.1	2.0	1.8	1.6	1.6	1.5	1.5	13.1	13.3	13.2
DCBB	LONG	190	59	240	Mar-27	8.4	6.9	5.8	1.1	0.9	0.8	0.9	0.9	1.0	12.0	13.0	13.7
KVB	LONG	298	256	310	Mar-27	12.0	11.5	10.4	2.1	1.8	1.6	1.9	1.7	1.6	18.5	16.5	15.9
RBK	LONG	313	189	390	Mar-27	23.5	11.8	7.6	1.2	1.1	1.0	0.5	0.9	1.1	5.1	9.5	13.2
SOE Banks																	
SBIN	ADD	1,112	9,493	1,160	Sep-26	10.1	9.8	9.0	1.7	1.5	1.32	1.2	1.1	1.1	17.6	15.6	15.1
BOB	ADD	274	1,561	330	Mar-27	7.4	7.1	6.2	1.1	1.0	0.9	1.0	1.0	1.0	13.2	12.6	13.0
CBK	ADD	141	1,368	165	Sep-26	6.2	6.0	5.3	1.2	1.0	0.9	1.1	1.0	1.0	17.9	16.1	16.1
UNBK	LONG	176	1,269	210	Mar-27	7.2	7.1	6.7	1.1	1.0	0.9	1.2	1.2	1.1	14.9	14.0	13.3
SFBs																	
AUBANK	ADD	1,043	726	1,145	Mar-27	29.6	22.2	17.9	4.1	3.5	2.9	1.5	1.7	1.7	14.2	16.2	16.9
Other NBFCs																	
SBICARD	LONG	671	816	785	Mar-27	29.5	21.4	18.8	4.2	3.6	3.1	3.3	4.3	4.6	14.7	17.5	17.1

Price to book chart



Source: Company, Equirus Research

Quarterly performance

Y/E Mar (Rs mn)	1QFY26A	2QFY26A	3QFY26A	4QFY26A	1QFY27E	2QFY27E	3QFY27E	4QFY27E
Net interest income	**16,803**	**17,298**	**17,513**	**16,681**	**17,035**	**16,925**	**18,565**	**17,148**
Treasury income	21,153	21,312	22,196	22,588	23,838	24,711	25,909	26,101
Other income	1,240	1,348	1,479	1,578	1,585	1,755	2,262	1,743
Total income	**42,226**	**43,764**	**45,684**	**44,734**	**45,020**	**46,752**	**51,431**	**52,312**
Operating expenses	21,227	24,839	25,971	25,607	25,963	27,261	29,721	29,667
Employee Expenses	1,614	1,576	1,844	1,576	1,718	1,804	1,858	1,891
Other Operating Expenses	19,612	23,263	24,127	24,031	24,245	25,457	27,863	27,776
PPOP	**20,999**	**18,925**	**19,713**	**19,127**	**19,057**	**19,491**	**21,710**	**22,645**
Provisions	13,516	12,927	12,222	10,968	10,586	10,659	10,721	11,063
Tax	1,924	1,550	1,925	2,066	2,135	2,225	2,769	2,919
Net Profit	**5,560**	**4,448**	**5,566**	**6,093**	**6,337**	**6,606**	**8,220**	**8,664**
Balance sheet (Rs Mn)								
Deposits	9,32,440	10,70,630	11,47,020	11,53,500	11,65,035	12,11,636	13,57,033	13,31,621
Advances	5,46,290	5,78,557	5,52,240	5,49,840	5,35,916	5,57,353	5,86,238	5,82,512
Investment	63,290	59,060	68,550	63,740	65,015	65,652	68,935	73,301
Gross NPL (Rs mn)	16,993	16,734	16,102	13,662	0	0	0	0
Net NPL (Rs mn)	7,757	7,463	7,069	5,793	0	0	0	0
% Growth								
Net interest income (NII)	13.8	15.2	11.5	3.0	1.4	(2.2)	6.0	2.8
Other income	13.5	16.8	19.0	16.1	10.1	12.7	16.7	25.4
Total income	13.6	16.1	16.0	10.8	6.6	6.8	12.6	16.9
Operating expenses	16.9	23.5	23.3	23.5	22.3	9.8	14.4	15.9
(Staff expenses)	20.3	5.9	21.1	2.2	6.4	14.4	0.8	20.0
(Other expenses)	16.6	24.9	23.4	25.3	23.6	9.4	15.5	15.6
Operating profit	10.5	7.7	7.7	(2.6)	(9.2)	3.0	10.1	18.4
Total provisions	22.8	6.7	(6.9)	(11.9)	(21.7)	(17.5)	(12.3)	0.9
Profit after tax	(6.5)	10.0	45.2	14.1	14.0	48.5	47.7	42.2
Advances	7.5	7.9	4.6	1.9	(1.9)	(3.7)	6.2	5.9
Deposits	20.9	30.7	33.2	30.5	24.9	13.2	18.3	15.4
Profitability ratios (%)								
Yield on Advances	17.0	16.5	16.3	16.2	16.7	17.7	18.2	17.8
Cost of Funds	7.1	6.4	6.5	6.4	6.2	6.3	6.4	7.5
NIM	11.2	11.2	11.0	11.1	12.8	12.4	13.0	11.7
RoaA	3.4	2.6	3.2	3.6	3.8	3.9	4.7	4.9
RoaE	15.8	12.1	14.8	15.7	15.8	15.8	18.9	19.1
Asset Quality (%)								
Gross NPL ratio	3.1	2.9	2.9	2.4	0.0	0.0	0.0	0.0
Net NPL ratio	1.4	1.3	1.3	1.0	0.0	0.0	0.0	0.0
Fresh Slippage Ratio (ann.)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Coverage ratio	54.4	55.4	56.1	57.6	0.0	0.0	0.0	0.0
Prov/Avg loans	9.6	9.0	8.3	7.7	7.8	7.8	7.5	7.6
Business & Other Ratios (%)								
CASA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cost-income ratio	50.3	56.8	56.8	57.2	57.7	58.3	57.8	56.7
Non int.inc / total income	60.2	60.5	61.7	62.7	62.2	63.8	63.9	67.2
Credit deposit ratio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAR	23.2	22.5	24.4	25.5	25.4	25.2	25.0	26.2
Tier-I	17.9	17.5	19.1	20.0	20.1	20.2	20.3	21.3

Key Financials (Standalone)

Income Statement

Y/E Mar (Rs mn)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Net interest income	**45,053**	**53,319**	**61,689**	**68,296**	**69,673**	**75,554**	**82,416**
Other Operating Income	75,137	90,413	87,249	99,985	1,16,550	1,31,552	1,81,819
Other income	6,190	5,151	5,649	8,080	9,292	10,686	(20,238)
Total income	**1,26,380**	**1,48,883**	**1,54,588**	**1,76,360**	**1,95,515**	**2,17,792**	**2,43,997**
Operating expenses	74,484	83,691	80,066	97,605	1,12,612	1,27,028	1,41,563
Employee Expenses	5,619	5,697	5,896	6,610	7,271	7,926	8,583
Other Operating Expenses	68,865	77,994	74,170	90,995	1,05,341	1,19,103	1,32,980
PPOP	**51,896**	**65,192**	**74,522**	**78,756**	**82,903**	**90,763**	**1,02,434**
Provisions	21,591	32,874	48,715	49,624	43,029	45,319	48,815
Tax	7,721	8,239	6,643	7,465	10,048	11,452	13,512
Net Profit	**22,585**	**24,079**	**19,164**	**21,667**	**29,826**	**33,992**	**40,107**

YoY Growth (%)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
NII	17.4	18.3	15.7	10.7	2.0	8.4	9.1
PPOP	17.2	25.6	14.3	5.7	5.3	9.5	12.9
PAT	39.6	6.6	(20.4)	13.1	37.7	14.0	18.0
Loans	30.4	24.7	9.9	1.9	5.9	7.5	7.9
Spends	40.9	25.6	1.2	29.1	17.7	15.5	15.5
Total Assets	31.5	27.7	12.7	1.2	7.5	8.2	7.0

Key Ratios

Profitability (%)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Avg. YoA (%)	17.1	17.3	17.5	17.6	17.1	17.2	17.3
Avg. spends per card	1,56,248.8	1,74,386.3	1,60,326.9	1,94,732.6	2,14,205.8	2,35,626.4	2,59,189.1
NIM (%)	12.5	11.6	11.6	12.1	11.9	12.1	12.2
Cost/ Income (%)	58.9	56.2	51.8	55.3	57.6	58.3	58.0
Tax Rate (%)	25.5	25.5	25.7	25.6	25.2	25.2	25.2
RWA/ Total assets	89.0	115.0	125.0	125.0	125.0	125.0	125.0
Assets Quality							
GNPA (%)	2.4	2.8	3.1	2.4	2.3	2.2	2.2
NNPA (%)	0.9	1.0	2.3	1.0	1.0	0.9	0.7
PCR (%)	62.3	63.6	24.1	56.3	56.0	60.3	65.5
Slippages (%)	6.2	8.0	11.5	9.5	8.0	7.0	7.0
Total provision/ Avg. loans	6.2	7.4	9.5	9.1	7.6	7.5	7.5
Capital Adequacy (%)							
CRAR (%)	23.7	20.5	22.9	25.5	26.2	27.4	29.1
CET-1 (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tier 1 (%)	21.5	16.5	17.5	20.0	21.3	22.8	24.8

CAGR (%)		1 year	2 years	3 years	5 years	7 years	10 years
NII		10.7	13.2	14.9	11.9	15.0	21.8
PPOP		5.7	9.9	14.9	14.4	17.9	27.3
PAT		13.1	(5.1)	(1.4)	17.1	14.0	22.5
BPS	`	14.1	14.0	16.7	19.8	21.3	27.4

Balance Sheet

Y/E Mar (Rs mn)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Equity	9,461	9,510	9,514	9,518	9,522	9,526	9,530
Reserve and surplus	88,840	1,11,331	1,28,304	1,47,739	1,74,347	2,04,643	2,40,577
Borrowings	3,15,311	3,98,911	4,49,466	4,56,367	4,77,660	5,07,059	5,33,824
Other liabilities	41,844	61,961	68,175	49,656	51,194	49,662	40,796
Total Liabilities	4,55,456	5,81,712	6,55,458	6,63,280	7,12,723	7,70,890	8,24,727
Cash and balance with RBI	13,545	27,296	27,382	23,200	28,660	30,424	32,029
Receivables	1,422	2,431	2,355	2,831	3,397	4,077	4,892
Investments	21,397	35,191	62,351	63,740	73,301	84,296	84,296
Advances	3,93,610	4,90,790	5,39,346	5,49,840	5,82,512	6,25,998	6,75,727
Fixed & other assets	25,483	26,005	24,024	23,669	24,852	26,095	27,782
Total Assets	4,55,456	5,81,712	6,55,458	6,63,280	7,12,723	7,70,890	8,24,727
Spends	26,24,980	32,95,900	33,34,800	43,03,590	50,65,326	58,50,451	67,57,271

Per Share Data (Rs)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
EPS	23.9	25.3	20.1	22.8	31.3	35.7	42.1
BVPS	103.9	127.1	144.9	165.2	193.1	224.8	262.5
ABVPS	100.2	121.9	131.5	159.1	187.0	219.2	257.2
DPS	2.5	2.5	2.5	2.5	3.5	4.0	4.5

Valuation (x)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
P/E (x)	28.1	26.5	33.3	29.4	21.4	18.8	15.9
P/B (x)	6.4	5.3	4.6	4.1	3.5	3.0	2.6
P/ABV (x)	6.7	5.5	5.1	4.2	3.6	3.1	2.6
Dividend Yield (%)	0.4	0.4	0.4	0.4	0.5	0.6	0.7
RoA (%)	5.6	4.6	3.1	3.3	4.3	4.6	5.0
RoAE (%)	25.7	22.0	14.8	14.7	17.5	17.1	17.3
RoRWA (%)	6.3	4.5	2.6	2.6	3.5	3.7	4.0

RoA Decomposition	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Interest income	15.3	15.3	15.1	15.0	14.6	14.5	14.6
Interest expenses	4.1	5.0	5.1	4.7	4.5	4.3	4.3
Net interest income	11.2	10.3	10.0	10.4	10.1	10.2	10.3
Treasury income	18.7	17.4	14.1	15.2	16.9	17.7	22.8
Other income from operations	1.5	1.0	0.9	1.2	1.4	1.4	(2.5)
Total income	31.5	28.7	25.0	26.7	28.4	29.4	30.6
Employee expenses	1.4	1.1	1.0	1.0	1.1	1.1	1.1
Other operating expenses	17.2	15.0	12.0	13.8	15.3	16.1	16.7
Total Operating expenses	18.6	16.1	12.9	14.8	16.4	17.1	17.7
Operating Profit	12.9	12.6	12.0	11.9	12.0	12.2	12.8
Loan Loss Provisions	5.4	6.3	7.9	7.5	6.3	6.1	6.1
Tax	1.9	1.6	1.1	1.1	1.5	1.5	1.7
Net Profit	5.6	4.6	3.1	3.3	4.3	4.6	5.0
Leverage Multiplier	4.6	4.7	4.8	4.5	4.0	3.7	3.4
ROE	25.7	22.0	14.8	14.7	17.5	17.1	17.3

Source: Company, Equirus Research

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